

CHEF GARCIA FOODSERVICE SALES OBJECTIVES - 1997 FOR THE BALTIMORE/WASH MARKET

WEEKS	5	4	4	5	4	4	5	4	4	5	4	4	5	4	4	4	4	TOTAL
ACCOUNT	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC						
ZIGGYS	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	29,000	414,000		
LANKFORD	6,000	3,000	6,000	10,000	12,000	15,000	15,000	15,000	20,000	20,000	18,000	15,000	20,000	14,000	14,000	145,000		
JP 2C MD	12,000	12,000	14,000	16,000	16,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	202,000		
CONTINEN	2,000	2,000	2,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	7,000	93,000		
N AMERIC	16,000	16,000	20,000	16,000	20,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	14,000	202,000		
SAVAL															0	0		
ATLANTIC															0	0		
SMELKNSN															0	0		
MD HOTEL	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000		
ALLIANT	10,000	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	220,000		
MAZOLRCH	25,000	20,000	25,000	20,000	20,000	25,000	20,000	20,000	20,000	20,000	25,000	20,000	20,000	20,000	20,000	260,000		
ANITAS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000		
AUTH BRO	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600		
CAROL CO															0	0		
POTOM PSH	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000		
WALKINS	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000		
OTHER																97,000		
TOTAL	133,300	130,300	135,300	163,300	154,300	158,300	172,300	163,300	163,300	177,300	166,300	146,300	1,863,600					
QUARTER					475,900					498,900				489,900				

Sales objectives serve as a sales plan by customer/geographic region. For required sales to be delivered see "sales to be delivered in 1997"
ENCLOSURE C

EXHIBIT

CHEF GARCIA FOODSERVICE SALES OBJECTIVES-1997 FOR PENNSYLVANIA

Sales objectives serve as a sales plan by customer/geographic region. For required sales to be delivered see "sales to be delivered in 1997"

CHEF GARCIA FOODSERVICE SALES OBJECTIVES-1997 FOR KEY ACCOUNTS

Sales objectives serve as a sales plan by customer/geographic region. For required sales to be delivered see "sales to be delivered in 1997"
ENCLOSURE D

SALES AND MARKETING BUDGET 1996

	<u>F/S</u>	<u>RET</u>
SAMPLES	1%	1%
PROMOTION	5	6
DISTRIBUTORS	5	---
SHOWS		
BROKERAGE (5% Gross; 4.5% Net)	4.5	4.5
INTERMARK	<u>4</u>	—
<u>TOTALS</u>	19.5%	11.5%

SALES AND MARKETING BUDGET 1997

	<u>F/S</u>	<u>RET</u>
✓ SAMPLES	.5%	.5%
✓ PROMOTION	2	6
✓ DISTRIBUTORS	4	---
✓ SHOWS	.1	.1
BROKERAGE (5% Gross; 4.5% Net)	4.5	4.5
INTERMARK	4	4
TOTALS	15.1%	15.1%

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SALES AND MARKETING BUDGET 1997
Sales and Marketing amendment for : GIANT CHIPS
(customer)

	<u>F/S</u>	<u>RET</u>
SAMPLES		.5%
PROMOTION		6
DISTRIBUTORS		---
SHOWS		.1
BROKERAGE (5% Gross; 4.5% Net)		4.5
INTERMARK		2
<u>TOTALS</u>		13.1%

SALES AND MARKETING BUDGET 1997
Sales and Marketing amendment for : TROPICAL FOODS
(customer)

	<u>F/S</u>	<u>RET</u>
SAMPLES	.1	
PROMOTION	.9	
DISTRIBUTORS	---	
SHOWS	---	
BROKERAGE (3% Gross; 2.9% Net)	2.9	
INTERMARK	4	
OTHER: SPOILAGE	.025	
<u>TOTALS</u>		7.925%

To: Marjorie Robinson

From: Jim Garcia

Date: November 16, 1996

Re: JP Deductions

Effective immediately Chef Garcia has placed JP Foods on credit hold until the deduction issues are resolved. There are too many unauthorized deductions. Please take the appropriate action to clear up this matter. Enclosed is a copy of the latest check received by us. Thank you for your cooperation in this matter.

cc: Randy Habeck
Randy McDonald
Pablo Ramirez
Susan Prophet
Marquerite Banks

EXHIBIT

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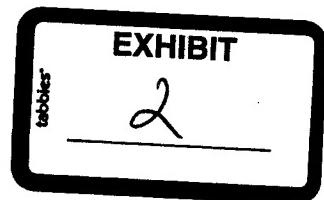
To: Jim Garcia
From: Randall McDonald
Date: November 4, 1996
Re: JP Foods Discrepancies

There were several issues discussed with Tanya. She is the A/P person for the corporate office at JP Foods. Some of the issues are the delinquent receivables, authorization of deductions from the satellite offices, sample deduction, and bill backs.

She does not have control of deductions that are put into the system. They are generated by the other JP Foods satellite offices. I stated to her that any deduction taken has to be authorized by a representative of Chef Garcia Mexican Foods. She then stated that the brokers are accepting the responsibility for the deduction. She has also said no JP Foods salesperson authorizes any sample request or any kind of deduction. She called JP Foods Altoona branch and spoke to the person in charge of entering deductions into the system. That person said the authorizations for all deductions are coming from the broker.

Again, I reiterated that deductions of any kind must be have an authorized signature from Chef Garcia himself. She has related that information to each satellite office.

I have forwarded all JP Food discrepancy reports to Kristan of Habeck and Zaitz. She is currently working on resolving all discrepancies.



FIRST NATIONAL BANK OF MARYLAND

Mail Code: 101-560
P.O. Box 1596
Baltimore, Maryland 21202

Telephone: 410-244-4259
Fax: 410-244-4022

FAX TRANSMISSION SHEET

DATE: 1-24-97 TIME: 3:50

TO: Name: David Norman

Company: Mason, Ketterman c/o DavCo

FAX #: 410-793-0522

Subject: Chef Garcia

Number of pages including cover page: 2

FROM: Chris Padgett

COMMENTS:

Dave - Here are more questions. Hopefully I won't have many more. You can call or just fax back the answers.. Chris

IF TRANSMISSION IS NOT COMPLETE, CALL:

MARY LOU ANDREWS (410) 244-4091

IMPORTANT NOTICE

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faxcover.clp

EXHIBIT

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Chef Garcia Mexican Foods manufactures chips, tortillas etc.?

Chef Garcia Kitchen manufactures the prepared foods?

Tax ID #'s for: Chef Garcia:
CG Mexican Foods:
CG Kitchen:

State of incorporation of: CG Mexican Foods:
CG Kitchen:

Which company owns the equipment that would secure the \$150,000 term loan?

It looks like \$75,000 of A/R was written off in 11/96. What was this and is there more to be written off?

Why does JP Foodservice have a large portion of its A/R over 90 days?

How much term debt will Riggs retain?

What will be the terms of the debt?

- # of years:
- Interest rate:
- Annual F&I:

What is the book value (depreciated) of the equipment that will secure the Riggs term loan?

Please forward an accounts payable aging when possible.

To: Marjorie Robinson

From: Randy McDonald

Date: March 7, 1997

Re: JP Foods

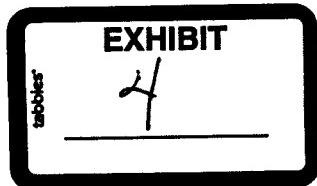
Can you follow-up on yesterday's conversation regarding invoice 221215 for JP Foods. There are pricing discrepancies. We do not have any paperwork concerning any price changes.

Also, you have the JP reconciliation for 1996, included are invoices outstanding, invoice paid, and deductions we do not have authorization for. We would appreciate if you would provide us with the proper paper work (if any) to substantiate the deductions, and the status of the outstanding invoices.

Call me if you need any help in resolving this matter. I would like to clear the books on JP Foods as soon as possible.

Thanks!

cc: Jim Garcia
Randy Habeck
Ron Kirstien
Harvey Rothstein



To: Marjorie Robinson

From: Randy McDonald

Date: March 10, 1997

Re: JP Deductions

Marjorie, we are still receiving checks from JP Foods with deductions. I recall a memo to JP Foods regarding deductions. It has had no effect. For example, I received a check for an invoice of \$1,854.65 and the net amount of the check was \$22.83. This is totally unacceptable.

We can not allow JP to take these deductions at their leisure. It is out of control. JP feels it can take these deductions at will. We will not tolerate this any longer. This is now becoming a financial issue. Jim has informed me he wants this issue resolved immediately.

I do not know if the problem is communication, or a misunderstanding of what the policies are. Whatever the issue, JP needs to be informed about the procedures of the deduction process. They must have authorization from the Sales department and/or Chef Garcia. I remember us discussing this matter, and JP would not be allowed to take these deductions. Well, it is quite evident they are not taking this issue seriously.

Please express these concerns to the appropriate people related to this problem. We can not go on like this. Keep me informed so I can relay any progress to Jim. He is expecting immediate results.

Thanks!

cc: Jim Garcia
Randy Habeck
Ron Kirstien



To: Marjorie Robinson

From: Randy McDonald

Date: May 29, 1997

Re: Deductions

I just received a bunch of paperwork from Habeck - Zaitz regarding deductions. There are several problems with the paperwork. There are invoices from JP Foods that do not have your signature or some kind authorization for intermark. JP is also going to take a deduction for a product we do not sell.

No one has signed off or verified the spoilage reports Halperin has generated

Alliant has dumped nine cases of product and know one knows why.

There are promotional agreements that have expired and customers are still taking credit. This is unacceptable and will not be allowed. I will not give credit for these deductions, and the customer will be asked to remit any money due to us.

Also, I sent a package to you regarding the deductions Alliant has taken. Please take a moment to review the package. Alliant's receivables are getting old.

I have not received any response from JP foods concerning the deductions they have taken. Most of the invoices that are past due are being paid. Tanya is working on the ones we have not received payment for. Still there is an ongoing problem with branch deductions.

Your assistance in these matters will be appreciated. I would like to clean up these issues before I close the month next Friday.

Jim has asked me to remind you we are still waiting for agreements for the brokers.

Also can you provide me with a written business plan to forward to Riggs bank. It requires statements supported by numbers showing the goals the company is striving for. Randy Habeck did one last year, you can use the same format. This information is needed prior to June 1st.

Cc: Jim Garcia
Ron Kirstien
Randy Habeck

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